

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0088P

Use Tax

Calendar Years 1994, 1995, and 1996

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is an Indiana Corporation registered with the Indiana Department of Revenue since January 10, 1983.

Taxpayer protests the penalty assessed on an audit completed on November 6, 1997.

Taxpayer failed to remit use tax on clearly taxable items and had no use tax accrual system in place.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's audit report revealed that no use tax accrual system was in place although the taxpayer was registered with the Department.

Taxpayer states it has always tried to have its suppliers charge sales tax when it was applicable, however, sometimes taxable purchases still slip through the cracks. Further it states it did not

withhold paying the tax on purpose nor was it fraudulent in reporting. A penalty waiver is requested.

Taxpayer made no attempt to self assess use tax on taxable purchases although it is registered with the

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State. In addition, the ST103 has a line on which to report the use tax due.

FINDING

Taxpayer's protest is denied.